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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY

USSR

SUBJECT

Organization of New Ministries
in the USSRPLACE
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1. "Pravda", 15 Sep 53, Issue No 258, and 16 Sep 53, Issue No 259, stated that the following new ministries were organized by the Presidium of the USSR Supreme Soviet on order of the USSR Council of Ministers:

A. Of All-Union rank:

- (1) The Ministry for Geology and Safeguarding of USSR Natural Resources, Antropov, Petr Yakovlevich, Minister. As a result of this decree the USSR Ministry for Geology, which functioned prior to 15 Mar 53 when the USSR Supreme Council met in session, was rehabilitated. As we know, the USSR Ministry for Geology was dissolved during this session and its functions transferred to another Ministry which is competent for the USSR mining industry.
- (2) The Ministry for the USSR Aviation Industry Dementiev, Petr Vasilievich, Minister. During a session of the USSR Supreme Soviet the former Ministry for the Aviation Industry was merged with the Ministry for Armament into one Ministry for Defense Industry. As evident from the order of the Presidium of the Supreme Soviet of the USSR, the Ministry for Aviation Industry was again made an independent Ministry.

B. Of Union-Republics rank:

- (1) The Ministry of Automobile Transport and Highways of the USSR,

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Likhachev, Ivan Alekseevich, Minister. During the session of the Supreme Soviet of the USSR on 15 Mar 53 the former Automobile Transport Ministry was dissolved and its functions transferred to the Ministry for Means of Communications. As evident from the order of the Presidium of the Supreme Soviet of the USSR, the Ministry for Automobile Transport and Highways was again made an independent Ministry by being removed from the Ministry for Means of Communications.

- (2) The Ministry for Domestic Trade of the USSR, Mikoyan, Anastas Ivanovich, Minister. During the session of the USSR Supreme Soviet of 15 Mar 53 the former Ministry for Foreign Trade of the USSR and the USSR Ministry for Trade were merged into one Ministry for Domestic and Foreign Trade of the USSR. By order of the Presidium of the USSR Supreme Soviet, the Ministry of Domestic and Foreign Trade of the USSR was again split up into two independent Ministries.
- (3) The Ministry for Foreign Trade of the USSR, Kabanov, Ivan Grigorevich, Minister. The Ministry for Foreign Trade again regained its independence as a result of the order of the Presidium of the Supreme Soviet of the USSR.
- (4) The Ministry for Sovkhozes of the USSR, Kozlov, Aleksey Ivanovich, Minister. During the session of the Supreme Council of the USSR on 15 Mar 53, the former Ministry for Sovkhozes, the Ministry for Agriculture, the Ministry for Cotton-Growing, the Ministry for Procurement and the Ministry for Forestry were merged into one Ministry of Agriculture and Procurements. By the order of the Presidium of the Supreme Soviet of the USSR, an independent Ministry for USSR Sovkhozes was formed after separation from the Ministry of Agriculture and Procurements.
- (5) The Ministry for Agricultural Supplies of the USSR, Benediktov, Ivan, Minister. During the session of the Supreme Soviet of the USSR on 15 Mar 53, the former Ministry of Procurements of the USSR was merged with the Ministries listed above under (4) into one Ministry of Agriculture and Supplies. By order of the Presidium of the Supreme Soviet of the USSR, 15 Sep 53, the Ministry for Procurements was again set up as an independent Ministry, under another name, namely as the Ministry for Agricultural Supplies of the USSR.
- (6) The Ministry for Food Products of the USSR, Zotov, Vassiliy, Minister. During the session of the Supreme Soviet of the USSR the former Ministry for Food Industry was merged with the Ministry for Light Industry, the Ministry for the Meat and Milk Industry and the Ministry for the Fishing Industry into one Ministry for Light and Food Industry. By order of the Presidium of the Supreme Soviet of the USSR, 15 Sep 53, the Ministry for the Food Industry, under the name of Ministry for Food of the USSR, was set up as an independent Ministry after its separation from the Ministry for Light and Food Industry.
- (7) The Ministry for Consumers Goods of the USSR, Kosygin, Aleksey, Minister. Until 15 Mar 53 when the Ministries were reorganized during a session of the Supreme Soviet of the USSR, this Ministry did not exist. the Ministry for Consumers Goods was set up in connection with the bombastic propaganda campaign carried on at the present [1953] by the Soviet Government. This campaign is aimed to show off the government's present "concern" for the improvement of the USSR people's welfare, particularly improvement in the supply of those products which are considered consumer goods. There

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is no need to get excited about the fact that the Soviet Government makes so much noise about wanting to improve the welfare of the Soviet people. So far all these promises were only on paper. Merely the fact that the Ministry for Consumers Goods for the USSR was established is important for us in this connection.

2. In connection with the organization of new USSR ministries of Union-Republic rank, [] concerning the organization of new ministries in the Union-Republics, particularly in the RSFSR, [] the following Republics Ministries are to be organized:

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- (a) Ministry of Automobile Transport and Highways of the RSFSR
- (b) Ministry of Domestic Trade of the RSFSR
- (c) Ministry for Sovkhozes of the RSFSR
- (d) Ministry for Agricultural Supplies of the RSFSR
- (e) Ministry for Food of the RSFSR
- (f) Ministry for Consumers Goods of the RSFSR

3. In view of the campaign now going on in the USSR for a new reorganization of ministries, [] views regarding the reasons for restoring ministries which existed while Stalin was still living and which were reorganized soon after he died.

4. In the first place it should be noted that management of an expanded Ministry is exceedingly difficult, particularly under Soviet operating conditions and responsibility for these conditions. For these reasons it is obvious that the ministers are physically not able to manage these expanded, consolidated ministries. Also, when some ministries are merged into a consolidated Ministry, the difficulty of operation and management is magnified due to personal conflicts among the heads and other officials of the ministries who are afraid the other fellow will hurt their ambitions. [] shall try to make this clearer by giving an example. It is a known fact that the Ministry for the Merchant Fleet, the Ministry for the River Fleet and the Main Administration for the Northern Sea Lanes are consolidated in one Ministry for the Merchant and River Fleet. Novikov, the former Minister for the Merchant Fleet, was subordinate to the former Minister of the River Fleet, Shashkov. Without a doubt this appointment was a blow to Novikov's ambitions and it is quite clear that he will not be inclined to put up with his job as subordinate to "such a miserable river and swamp flower like Shashkov". On the contrary, he will do his level best to again become independent, that is, to get out of the Ministry for the Merchant and River Fleet and manage, as before, the Merchant Fleet Ministry. [] convinced that Novikov and his staff, all along the line, will connive to make Shashkov's job tough for him. It must be remembered also that seamen always think they are better than rivermen. They treat them with utter contempt and call them "brook sailors and swamp navigators". Shashkov, on the other hand, is a river-man 100% and it is quite clear that in his work he will pay a lot of attention to the management, equipment and any other subject connected with the river fleet organization. [] certain that petitions are being circulated among government agencies right now which request that the Merchant and River Fleet Ministry be broken up again and independent ministries for the Merchant Fleet and River Fleet be reorganized. The same situation certainly prevails also in the other consolidated ministries. Judging from statements in the Soviet Press, the campaign to split up the ministries in the USSR has just started and it may be expected that a whole series of other ministries besides the nine listed above will be organized in the near future.

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5. The fact that the USSR Ministers were not able to manage these consolidated Ministries is evident from the statement made by the Central Statistical Administration attached to the USSR and RSFSR Council of Ministers. This statement which concerned the fulfillment of plans by the different branches of the economy, revealed that the fulfillment of plans and the acceleration of production of industrial goods were behind schedule as compared to what they were before consolidation of ministries. In addition, the Soviet press continuously expresses concern regarding the unsatisfactory work done by a whole series of ministries.
6. [redacted] in this report from implying that there is a connection between the question of the recent campaign for reorganization of USSR ministries and the struggle for power in the Kremlin. To say so would merely be guessing and [redacted] would be on the wrong track if this [redacted] guess. In the same light one may also discount the assumption that Khrushchev, Secretary of the Central Committee of the KPSS, played a big role in the launching of the campaign for the new reorganization of the ministries, especially since this campaign started right after the Plenum of the Central Committee of the KPSS. [redacted] however, that the ministries are being broken up into smaller units. On the basis of [redacted] convictions [redacted] the following conclusions:
- (a) The management of consolidated ministries causes very great difficulties, particularly under Soviet operating conditions and in view of the huge territorial dispersion of the economy of each Ministry.
- (b) The policy to consolidate ministries, under Soviet conditions, cannot produce the desired effect of cutting down the size of the apparatus and attaining flexibility in management. [redacted] every government official in the USSR, whenever any kind of reorganization is made, will do his utmost not only to retain the structure and staff of his specific economy but even to expand them. Besides, any form of reorganization always met with serious opposition on the part of executives who see only complication in any type of reform as well as trouble in management and operations. This also applies to the management of consolidated ministries.
- (c) The policy of consolidating ministries could do no more than create tension and an unhealthy atmosphere in the mutual relations and work of officials in the consolidated ministries, especially if they are officials who formerly worked independently and assumed subordinate jobs due to consolidation. The latter is probably one of the main causes for trouble in the management of consolidated Ministries.

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103.641	N
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103.631	N
103.632	N
772.102	N
103.67	N
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103.9	N
703.301	N

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